

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA
Title III

No. 17-BK-3567-LTS

Caption Continued on Following Page

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

THE COMMONWEALTH OF PUERTO RICO and
PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY,

Movants,

-v-

AMBAC ASSURANCE CORPORATION,

Respondent.

PROMESA
Title III

No. 17-BK-3283-LTS

(Jointly Administered)

**URGENT JOINT MOTION
AND STIPULATION MODIFYING HEARING DATE AND
DEADLINES IN CONNECTION WITH MOTION OF FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD PURSUANT TO BANKRUPTCY CODE SECTIONS
105(A) AND 362 FOR ORDER DIRECTING AMBAC TO WITHDRAW COMPLAINT**

To the Honorable United States District Judge Laura Taylor Swain

The Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority, as Title III debtors (the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico, as the Debtors’ sole representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),¹ and Ambac Assurance Corporation (“Ambac,” and collectively with the Debtors, the “Parties”), respectfully submit this urgent joint motion and stipulation (the “Urgent Motion and Stipulation”) seeking entry of the proposed order attached hereto as **Exhibit A** (the “Proposed Order”), (a) approving this Urgent Motion and Stipulation, and the terms and conditions contained herein, and (b) modifying the hearing date and certain deadlines in connection with the *Motion of Financial Oversight and Management Board Pursuant to Bankruptcy Code Sections 105(a) and 362 for*

¹ PROMESA has been codified in 48 U.S.C. §§ 2101-2241.

Order Directing Ambac to Withdraw Complaint [Dkt. No. 12569] (the “Motion”). In support of this Urgent Motion and Stipulation, the Parties respectfully represent as follows:

1. On February 19, 2020, in the United States District Court for the District of Puerto Rico, Ambac filed a complaint styled *Ambac Assurance Corporation v. Autopistas Metropolitanas de Puerto Rico, LLC*, Civil No. 3:20-cv-01094 (the “Complaint,” and such litigation, the “Ambac Litigation”).

2. On March 31, 2020, the Debtors filed the Motion seeking an order directing that Ambac withdraw the Complaint. The Motion had an objection deadline of April 7, 2020, a reply deadline of April 15, 2020, and a hearing date of April 22, 2020.

3. The global response to the COVID-19 pandemic has caused logistical difficulties that favor a modification of the hearing date and certain deadlines in connection with the Motion.

4. After a meet-and-confer process, the Parties agreed on the following modified briefing schedule, as set forth in the Proposed Order:

- a. The hearing on the Motion shall be scheduled for June 3, 2020, at 9:30 a.m. (Atlantic Standard Time). Appearance logistics shall be determined as soon as practicable in view of existing circumstances.
- b. Any objections to the Motion shall be filed no later than April 28, 2020, at 4:00 p.m. (Atlantic Standard Time).
- c. Any replies in further support of the Motion shall be filed no later than May 27, 2020, at 4:00 p.m. (Atlantic Standard Time).

5. Furthermore, and in consideration of extending the deadlines for the hearing on and objections to the Motion, the Parties stipulate and agree to the following conditions relating to the Ambac Litigation:

- a. Ambac shall file by April 20, 2020 whatever documents or pleadings are necessary in the Ambac litigation to seek Court approval to adjourn all deadlines in the Ambac Litigation, including any deadline for the defendant in the Ambac Litigation to respond to the Complaint, until an order ruling on the Motion is entered; and
- b. Ambac shall neither serve nor conduct any discovery in the Ambac Litigation until an order ruling on the Motion is entered.

6. Pursuant to Paragraph 1.H of the *Eleventh Amended Notice, Case Management and Administrative Procedures* (Case No. 17 BK 3283-LTS, ECF No. 2839) (the “Case Management Procedures”), the parties hereby certify that they have carefully examined the matter and concluded that there is a true need for this motion, and that they have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought before the Court. The parties also certify that they have no knowledge of any objections to the relief requested herein.

7. In accordance with Paragraph II.F of the Case Management Procedures, the parties have provided notice of this motion to all counsel of record. The parties submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Parties respectfully request that the Court enter the Proposed Order and grant all other relief that is just and proper.

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Dated: April 13, 2020
San Juan, Puerto Rico

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Attorneys for Ambac Assurance Corporation

CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Luis F. del Valle-Emmanuelli
Luis F. del Valle-Emmanuelli

Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

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THE COMMONWEALTH OF PUERTO RICO and
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-v-

AMBAC ASSURANCE CORPORATION,

Respondent.

PROMESA
Title III

No. 17-BK-3283-LTS

(Jointly Administered)

SCHEDULING ORDER

Upon the *Urgent Joint Motion and Stipulation Modifying Hearing Date and Deadlines in Connection With Motion of Financial Oversight and Management Board Pursuant to Bankruptcy Code Sections 105(a) and 362 for Order Directing Ambac to Withdraw Complaint* (the “Urgent Motion and Stipulation”), and the Court having found that the relief requested in the Urgent Motion and Stipulation is in the best interests of the parties; and the Court having found that the parties provided adequate and appropriate notice of the Urgent Motion and Stipulation under the circumstances and that no other or further notice is required; and the Court having reviewed the Urgent Motion and Stipulation; and the Court having determined that it has subject matter jurisdiction over the matters presented in the Urgent Motion and Stipulation and that venue is proper; and the Court having determined the factual bases set forth in the Urgent Motion and Stipulation establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Urgent Motion and Stipulation is granted as set forth herein.

2. The Urgent Motion and Stipulation is approved, and its terms and conditions, including without limitation the terms and conditions detailed in paragraph 5 of the Urgent Motion and Stipulation, shall be binding upon the Parties in their entirety.

3. The briefing schedule on the *Motion of Financial Oversight and Management Board Pursuant to Bankruptcy Code Sections 105(a) and 362 for Order Directing Ambac to Withdraw Complaint* [Dkt. No. 12569] (the “Motion”) is as follows:

- a. The hearing on the Motion shall be scheduled for June 3, 2020, at 9:30 a.m. (Atlantic Standard Time). Appearance logistics shall be determined as soon as practicable in view of existing circumstances.
- b. Any objections to the Motion shall be filed no later than April 28, 2020, at 4:00 p.m. (Atlantic Standard Time).
- c. Any replies in further support of the Motion shall be filed no later than May 27, 2020, at 4:00 p.m. (Atlantic Standard Time).

4. This Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation, and enforcement of this order.

Dated: April __, 2020

HONORABLE LAURA TAYLOR SWAIN
United States District Judge